

**REMARKS/ARGUMENTS**

Claims 1, 2, 4-7, 9-21, and 25-30 are present in this application. By this Amendment, claims 1, 4, 5, 19 and 20 have been amended, and claims 26-30 have been added.

Reconsideration in view of the above amendments and the following remarks is respectfully requested.

At the outset, Applicant extends his appreciation to Examiner Felten for his courtesy in conducting the telephone interview with Applicant's representative on December 1, 2004. During the interview, Applicant's representative proposed amendments to the claims in an effort to clarify important features of the invention in light of the Examiner's interpretation of the phrase "theoretical price point." Examiner Felten agreed that the proposed amendments clarify the subject matter discussed.

Claim 11 was rejected under 35 U.S.C. §112, second paragraph. The Office Action maintains that one of ordinary skill in the art would not know the steps of how to carry out the step of preventing gaming of the system "without reading the limitation(s) of the specification into the claim." Applicant respectfully submits, however, that this rejection is misplaced.

In this context, Applicant does not intend to read limitations from the specification into the claims. The Office Action rather is confusing the requirements of 35 U.S.C. §112, first paragraph and 35 U.S.C. §112, second paragraph. That is, the Office Action contends that "it is maintained that one of ordinary skill in the art would not know the steps of how this process is carried out from the claim . . . ." The enablement requirement, however, is one based on a lack of disclosure and is defined in 35 U.S.C. §112, first paragraph. Nowhere does the statute require that the claim define steps for carrying out a process. As discussed previously, and as apparently recognized by the Examiner (since the Office Action does not include a rejection under 35

U.S.C. §112, first paragraph), the enablement requirement with regard to the component for preventing gaming of the system has been satisfied. Indeed, “if a description or the enabling disclosure of a specification is not commensurate in scope with the subject matter encompassed by a claim, that fact alone does not render the claim imprecise or indefinite or otherwise not in compliance with 35 U.S.C. §112, second paragraph.” See MPEP §2174.

Paragraph 2 of §112 requires that the claims particularly point out and distinctly claim the subject matter which the applicant regards as his invention. In this case, Applicant respectfully submits that the Office Action is equating breadth with indefiniteness. Merely because the scope of the claim is broadly defined does not make the claim indefinite under 35 U.S.C. §112, second paragraph. See, *In re Miller*, 441 F.2d 689, 169 USPQ 597 (CCPA 1971). “If the scope of the subject matter embraced by the claims is clear, and if applicants have not otherwise indicated that they intend the invention to be of a scope different from that defined in the claims, then the claims comply with 35 U.S.C. §112, second paragraph. MPEP §2173.04. Applicant submits that the scope of the subject matter embraced by claim 11 is abundantly clear.

Withdrawal of the rejection is thus respectfully requested.

Claims 1, 2, 4-7, 9-21 and 25 were rejected under 35 U.S.C. §112, second paragraph. The Office Action contends that “[t]here is nothing in the body of the claim(s) that links to the preamble inasmuch as the body of the claim does not show steps of conducting a transaction between a buyer and a seller, because transactions between buyers and sellers involve the exchange of financial information, payment of money, etc.” Applicant respectfully submits, however, that this contention is misplaced.

There is no requirement in U.S. patent law that a preamble be linked to the body of a claim. In fact, generally, the preamble does not serve to limit the claims. See, e.g., *DeGeorge v.*

*Bernier*, 226 USPQ 758 (Fed. Cir. 1985). Rather, the preamble may be considered a limitation when “necessary to give meaning to the claim and properly define the invention.” Moreover, each of the independent claims uses the transitional term “comprising” to join the preamble of the claim with the body. It is well settled that the term “comprising” does not exclude additional unrecited elements or steps. See *Parmelee Pharm. Co. v. Zink*, 285 F.2d 465, 469, 128 USPQ 271, 275 (8th Cir. 1961); John Landis, *Mechanics of Patent Claim Drafting* 11-13 (1974).

Thus, although the claims may not define every step of conducting a “transaction,” no such requirement exists in U.S. patent law particularly with the use of the open-ended term “comprising.” Withdrawal of the rejection is thus respectfully requested.

Claims 1, 2, 4-7, 9-21 and 25 were rejected under 35 U.S.C. §103(a) over U.S. Patent No. 5,749,785 to Rossides in view of U.S. Patent No. 6,141,653 to Conklin et al. This rejection is respectfully traversed.

The Office Action recognizes that Rossides lacks the step of setting a theoretical price point if an overlap region does not exist between the seller lower limit price and the buyer upper limit bid. The Office Action contends, however, that “a theoretical price point is a conventional part of the negotiation process for an item between a bidder and seller in an auction or other bidding process when the bidder’s upper limit bid and the seller’s lower limit price do not overlap.” As discussed during the telephone interview, however, the “theoretical price point” is set without the conventional iterative “negotiation process.” In an effort to clarify the nature of the “theoretical price point” as described in the specification, claim 1 has been amended to recite that if an overlap region does not exist between the seller lower limit price and the buyer upper limit bid, the method comprises the step of further processing the transaction without seller or buyer input by setting a theoretical price point between the lower limit price and the upper limit

bid. From this language, it is clear that the “theoretical price point” according to the claimed invention is not merely “a conventional part of the negotiation process” as asserted in the Office Action. Certainly, the conventional negotiation process requires multiple iterative inputs from the seller and buyer. Applicant thus respectfully submits that this subject matter is lacking in Rossides and Conklin, taken singly or in combination, and that the rejection of claim 1 is misplaced. Claims 19 and 20 define related subject matter, and Applicant submits these claims are allowable for similar reasons.

With regard to claim 13, the Office Action references the “explanation for claim 1” without any discussion of the distinct features of the invention set forth in the claim. Claim 13 defines a step of “receiving a lower limit price range from the seller that varies with time . . .” Claim 14 defines related subject matter including a step of “receiving an upper limit bid range from the buyer that varies with time . . .” This subject matter was discussed in detail in the Amendment filed April 2, 2004. The Office Action, however, again does not address this subject matter. Indeed, nowhere does Rossides even remotely suggest that a bid offer of the first user or an opposing offer of a second user varies with time. Rather, when the “deadline” is reached, generally the transaction is terminated. Dependent claims 15 and 16 define related subject matter.

With regard to claim 17, step (b) of claim 17 defines the step of receiving an upper limit bid for the product from the buyer, wherein step (b) is practiced by allowing only one bid for the product from the buyer. The Office Action references Rossides at column 40, lines 36-39. This section in Rossides, however, specifies, among other things, that “Jim and Beth can change their offers up until the deadline expires.” Certainly, this teaching is in direct contrast with the subject matter of claim 17, allowing only one bid for the product from the buyer.

Although the Office Action lists claim 25 as being addressed on pages 4 and 5, Applicant respectfully submits that the subject matter of claim 25 is entirely overlooked in the Office Action. Claim 25 was also discussed in detail in the Amendment filed April 2, 2004. Claim 25 defines a step of receiving an expiration relating to the product and receiving at least one of a lower limit price range from the seller or an upper limit bid range from the buyer that varies with time to the expiration. The preamble of claim 25 defines a method of conducting a transaction between a buyer and a seller . . . for exchange of a product of decaying value. Thus, as described in the specification, as the product value is decaying, buyers and sellers may be willing to pay/receive more or less until expiration (e.g., when the product becomes valueless). Claim 25 additionally recites the step of comparing the seller lower limit price and the buyer limit bid relative to time. As a consequence, although an overlap region may not exist initially, with a varying price range and/or a varying bid range, an overlap region may exist at some time closer to the established expiration. This advantageous feature of the invention is neither disclosed nor remotely suggested in Rossides or Conklin, taken singly or in combination. Applicant thus respectfully submits that the rejection of claim 25 is misplaced.

With regard to the dependent claims, Applicant herein incorporates the discussion thereof from the Amendment filed April 2, 2004. Moreover, Applicant submits that these claims are allowable at least by virtue of their dependency on an allowable independent claim.

Reconsideration and withdrawal of the rejection are respectfully requested.

Claim 26 has been added and is dependent from claim 17. Claim 26 generally corresponds to original claim 3 and provides antecedent basis for claims 4 and 5. Claims 27-30 have also been added and include subject matter corresponding to claim 18. Applicant submits

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that these claims are allowable at least by virtue of their dependency on an allowable independent claim.

In view of the foregoing amendments and remarks, Applicant respectfully submits that the claims are patentable over the art of record and that the application is in condition for allowance. Should the Examiner believe that anything further is desirable in order to place the application in condition for allowance, the Examiner is invited to contact Applicant's undersigned attorney at the telephone number listed below.

Prompt passage to issuance is earnestly solicited.

Respectfully submitted,

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